

## **APPENDIX - 5**

**Public Law 14-29**

P.L. 14-29



## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

GOV. COMM. 14-29  
(HOUSE)

Juan N. Babauta

Governor

Diego T. Benavente

Lieutenant Governor

The Honorable Joaquin G. Adriano  
Senate President, The Senate  
Fourteenth **North** Marianas  
Commonwealth Legislature  
Saipan, MP 96950

SEP 21 2004

The Honorable Benigno R. Fitial  
Speaker, House of Representatives  
Fourteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

Rear Mr. President and Mr. Speaker:

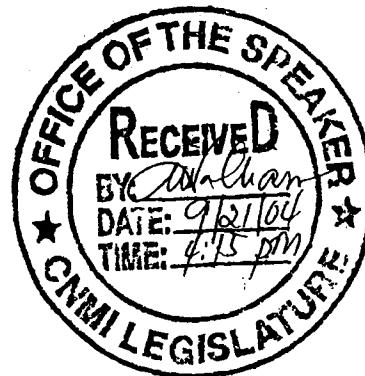
This is to inform you that I have signed into law House Bill No. 14-20, HS1, SS1, CD1, entitled, "to amend §§ 3(d) and 4(e), 9, and 14 of Public Law 13-17, as amended," which was passed by the Fourteenth Northern Marianas Commonwealth Legislature.

This measure amends Public Law 13-17, "The Land Compensation Act 2002" as further amended by Public Law 13-25 and Public Law 13-39 as follows:

First, Section 4(d) of the Land Compensation Act, pertaining to the prioritization of claims to be processed by the Marianas Public Lands Authority (MPLA) originally provided that:

(d) In implementing this Act, the **Marianas** Public Land Authority shall first compensate the acquisition of private **lands** for right of way purposes, including but not limited to public road construction. After those claims have been compensated, the Authority shall then compensate **those** claims involving the acquisition of private land for the purpose of constructing public ponding basins. Wetland and other claims shall be entertained only after claims involving right of way and ponding **basin** acquisitions have been compensated.

Section 1(a) of this measure amends this relevant subsection, now contained in subsection 4(e) pursuant to the redesignation of subsections (c), (d), and (e) by Public Law 13-29, to read as follows:



(e) In implementing **this** Act **the** Marianas Public Lands Authority **shall** compensate **the** acquisition of private lands for right of way purposes, including but not limited to public road construction, **construction of** **ponding basins**, wetland, **and other** *claims* involving private **land** acquisition permitted by applicable **laws**.

Section 4(e) of the Land Compensation Act of 2002, therefore, is amended to remove the prioritization previously mandated for land compensation claims made by private **landowners** whose land **was taken** for public road construction. **As** amended, the land compensation claims for the acquisition of private **lands** by the CNMI Government for public road construction, construction of **ponding basins**, wetland, and other claims involving private land acquisition are treated equally. This **amendment** ensures that all individuals with land compensation claims **are** treated in a **fair** manner and removes any **inference** or **appearance** of favoring specific land claimants to **the** disadvantage of other individuals with **pending** land compensation claims.

Second, Section 1(b) of this measure amends that provision of Public Law 13-25 which amended **the** "The Land Compensation Act of 2002" to include a provision determining the Method for Valuation of Land. Specifically, Section 1(3) of Public Law 13-25 stated:

For purposes of this Act, landowners shall receive just compensation based on the fair market value of the land at the time of taking by **the Commonwealth** MPLA may use **as** a guide the procedures set forth in 2 CMC §§ 4712(a)(2) and (3) to determine fair market value **at** the time of taking.

Section 1(b) of this measure, however, provides that:

For purposes of **this** Act, land owners shall receive **just** compensation based on **the** fair market value of the land at the time of taking by the Commonwealth which **is** the date when the Governor **or** other authorized government official certifies **in** writing the need for the acquisition of the private land.

This provision, **as** that set forth in Public Law 13-25, ensures **that** individuals with land compensation claims receive the actual value of the land **at** the time of the taking. This provision, however, establishes a specific date that MPLA must use **as** the **basis** for its determination of the fair market value of the **land** and the amount of compensation **that** is due to the former landowner. It must be noted, however, that **such** *claims* will, by virtue of **the** high prevailing market values at the time that many such certifications were issued regarding the need for the acquisition of private **land** will deplete the forty million dollar **bond** issue authorized by Public Law 13-17 and **may** necessitate **the** authorization of additional **bond measures** or **appropriations** by **the** Legislature to ensure that all persons with land compensation claims are paid in **an** expeditious **manner**. The original intent and purpose of the Land Compensation Act of 2002 **must** not be neglected.

Finally, **Sections** 1(c) and 1(d) of this measure amend **the** provisions of **the** Land Compensation Act related to the transfer of bond proceeds **to** **MPLA** and funding of **the** administrative **costs** of implementing the provisions of **the** Land

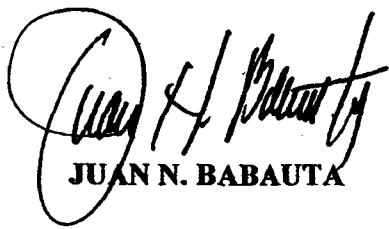
Compensation Act. Specifically, Section 3(d) of Public Law 13-39, concerning the Transfer of Bond Proceeds to MPLA, is amended to remove that provision whereby CDA ~~was~~ required to transfer ~~all~~ the proceeds of the \$40,000,000.00 bond issue authorized by Public Law 13-17, including the interest accrued on the bond issue, to MPLA for its continued use for land compensation claims.

Section(1)(c) of this measure mandates that ~~all~~ of the proceeds of the \$40,000,000.00 bond issues are not held in a separate account by MPLA, but rather, will be held in trust by a CDA-appointed trustee that is charged with securing the bond issue funds and *only* releasing ~~such~~ funds for the purpose of land compensation claims and reasonable administrative costs made by request of the MPLA Commissioner with the concurrence of the MPLA Board.

This provision, therefore, ensures that the funds are only utilized for *their* specific intended purpose and that the funds are not expended disproportionately by for administrative costs and bond issuance and management issues.

This bill becomes Public Law No. 14-29. Copies bearing my signature are forwarded for your reference.

Sincerely,



JUAN N. BABAUTA

**CC:** Attorney General  
MPLA Board  
MPLA Acting Commissioner  
Executive Director, Commonwealth Development Authority  
Special Assistant for Programs and Legislative Review



**HOUSE OF REPRESENTATIVES**

**NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**SECOND REGULAR SESSION, 2004**

**PUBLIC LAW NO. 14-29**

**H. B. NO. 14-020, HSI, SS1, CD1**

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**AN ACT**

To amend §§ 3(d) and 4(e), 9, and 14 of Public Law 13-17, as amended.



**Introduced by Representatives:** Janet U. Maratita,  
Benigno R. Fitial, Jesus SN. Lizama, Claudio K. Norita, Crispin M. Ogo,  
Arnold I. Palacios, Justo S. Quitugua, Timothy P. Villagomez, and Ray N. Yumul

**Date: February 9, 2004**

Referred to: Committee on Natural Resources  
Public Hearing: None  
Standing Committee Report: SCR 14-67

**Passed First and Final Reading on June 11, 2004**

**Rejected Senate Amendments on August 19, 2004**

***Conference Committee Report No. 14-3***

**Adopted Conference Amendments on September 9, 2004**



Referred to: Committee on Resources, Economic Development and Programs  
Public Hearing: None  
Standing Committee Report: None

**Passed Final Reading July 8, 2004**

***Conference Committee Report No. 14-3***

**Adopted Conference Amendments on September 14, 2004**

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Evelyn C. Fleming, House Clerk



**HOUSE OF REPRESENTATIVES**  
FOURTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
FIRST REGULAR SESSION, 2004

**PUBLIC LAW NO. 14-29**  
**H. B. NO. 14-20, HS1, SS1, CD1**

**AN ACT**

To amend §§ 3(d) and 4(e), 9, and 14 of Public Law 13-17, as amended.

**BE IT ENACTED BY THE FOURTEENTH NORTHERN MARIANAS COMMONWEALTH  
LEGISLATURE:**

**1 Section 1. Amendments.**

**2 (a) Section 4(e) of Public Law 13-17, as amended by PL 13-39, is amended  
3 to read as follows:**

**4**       “(e) In implementing this Act, the Marianas Public Land Authority  
5 shall compensate the acquisition of private lands for right of way purposes,  
6 including but not limited to public road construction, construction of ponding  
7 basins, wetland, and other claims involving private land acquisition permitted  
8 by applicable laws.”

**9 (b) Section 9 of Public Law No. 13-17, as amended by P.L. No. 13-25, is  
10 amended as follows:**

**11**       “Section 9. Method for Valuation of Land. For purposes of this Act,  
12 land owners shall receive just compensation based on the fair market value of  
13 the land at the time of taking by the Commonwealth which is the date when  
14 the Governor or other authorized government official certifies in writing the  
15 need for the acquisition of the private land.”

**16 (c) Section 3(d) of PL 13-39 is amended as follows:**

**17**       “(d) Transfer of Bond Proceeds to MPLA. After satisfying any  
18 commission or fee, costs of issuance, reserves, credit enhancement, interim  
19 bond financing or other similar expenses, and after transferring the requisite

**PUBLIC LAW NO. 14-29  
HOUSE BILL NO. 14-20, HS1, SS1, CD1**

1 amount for the Commonwealth prison project to the Department of Finance  
2 for deposit into an account for the project, the CDA-appointed trustee,  
3 pursuant to Public Law 11-3, shall retain the remaining balance of the bond  
4 proceeds. The trust funds and earnings thereof are hereby continuously  
5 appropriated solely for the purpose of paying out land compensation claims  
6 and to meet reasonable expenses of administering the purposes of this act,  
7 such expenses limited to obtaining appraisals, title searches and conducting  
8 administrative hearings, subject to conditions necessary to maintain tax  
9 exemption of the bonds or any interim financing. The Commissioner of  
10 MPLA shall have expenditure authority over the funds in the account subject  
11 to approval of claims by the Board. Such funds shall be drawn down from the  
12 trustee based upon procedures established by the MPLA Board and upon the  
13 concurrence of the Secretary of Finance.”

14        (d) Section 14 of PL 13-17, as amended by PL 13-39, is amended as  
15 follows:

16            “Section 14. Funding. Notwithstanding any provision of law, the  
17 Board of Public Lands shall utilize the bond proceeds from the trust funds and  
18 earnings thereof established under Section 4(d) herein to meet reasonable past,  
19 present and future expenses of administering the purposes of this act, limited  
20 to obtaining appraisals, title searches and for conducting administrative  
21 hearings and review pursuant to this Act.”

22        Section 2. Severability. If any provision of this Act or the application of any such  
23 provision to any person or circumstance should be held invalid by a court of competent  
24 jurisdiction, the remainder of this Act or the application of its provisions to persons or  
25 circumstances other than those to which it is held invalid shall not be affected thereby.

26        Section 3. Savings Clause. This Act and any repealer contained herein shall not be  
27 construed as affecting any existing right acquired under contract or acquired under statutes  
28 repealed or under any rule, regulation or order adopted under the statutes. Repealers  
29 contained in this Act shall not affect any proceeding instituted under or pursuant to prior law.

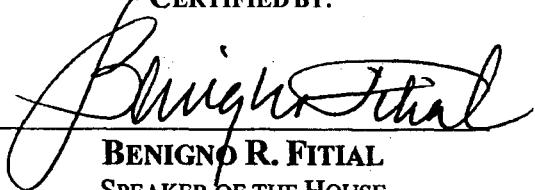
PUBLIC LAW NO. 14-29  
HOUSE BILL NO. 14-20, HS1, SS1, CD1

1 The enactment of the Act shall not have the effect of terminating, or in any way modifying,  
2 any liability, civil or criminal, which shall already be in existence on the date this Act  
3 becomes effective.

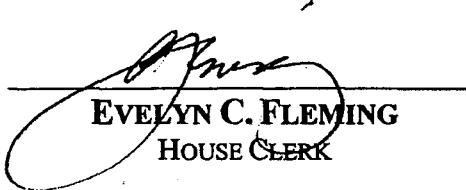
4 **Section 4. Application of Section 1(b).** Section 1(b) of this Act shall apply to all  
5 pending claims subject to compensation under Public Law 13-17, as amended.

6 **Section 5. Effective Date.** This Act shall take effect upon its approval by the  
7 Governor or becoming law without such approval.

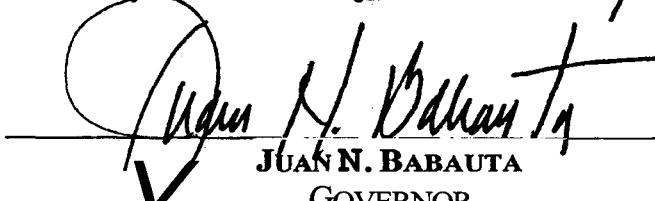
CERTIFIED BY:

  
BENIGNO R. FITIAL  
SPEAKER OF THE HOUSE

ATTESTED TO BY:

  
EVELYN C. FLEMING  
HOUSE CLERK

Approved on this 21<sup>st</sup> day of September, 2004

  
JUAN N. BABAUTA  
GOVERNOR

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS